

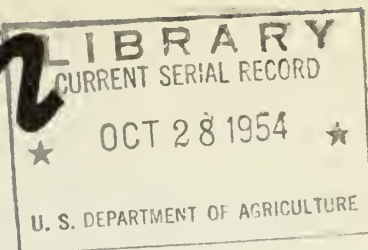
Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

erve
2F

Foreign

CROPS AND MARKETS



FOR RELEASE MONDAY, OCTOBER 25, 1954

VOLUME 69

NUMBER 17

CONTENTS

	PAGE
COTTON	
Egypt Announces Further Increase in Cotton Acreage for 1955.....	459
FATS, OILSEEDS AND OILS	
World Flaxseed Production Expected to Show Substantial Increase.....	448
Cuban Lard Imports Drop in Third Quarter.....	464
FRUIT, VEGETABLES AND NUTS	
German Government Authorizes Dollar Area Purchases of Fruit, Pulses and Asparagus.....	458
GRAINS, GRAIN PRODUCTS, FEEDS AND SEEDS	
First Forecast Indicates Smaller World Corn Crop.....	460
Correction in Algerian Oats Production.....	463
LIVESTOCK AND ANIMAL PRODUCTS	
World Hog Slaughter to Increase in 1955.....	454
U.S.S.R. Becomes Third Largest Importer of Meat.....	452
Disclose Details of U.K.-Denmark Butter Agreement.....	457
High Beef Prices Limit Consumption in Venezuela.....	458
MISCELLANEOUS	
British Empire Producers Seek Government Aid.....	468
British Cabinet Change Affects Food and Agriculture.....	469
Union of South Africa Announces Relaxation of Imports Controls.....	469
TOBACCO	
Greece Facilitates Tobacco Exports With More Trade Agreements.....	451
Sales of Tobacco on Salisbury, Southern Rhodesia Markets are Greater Than Expected.....	452
Dominican Republic: Tobacco Exports, First Half of 1954.....	452
TRADE DEVELOPMENTS IN FOREIGN COUNTRIES.....	466

L A T E N E W S

United States exports of cotton in August 1954 totalled 198,000 bales of 500 pounds gross weight (190,000 running bales) compared with 202,000 bales (193,000 running bales) for the corresponding month in 1953. The principal destinations in August 1954 were Japan 38,000 bales; Canada 23,000; United Kingdom 21,000; Korea and Western Germany 20,000; Taiwan 15,000; and France 14,000.

- - - - -

United States imports of cotton for consumption in August 1954 amounted to 10,000 bales (480 pounds net) including 5,000 bales from Egypt; 2,000 each from Sudan and Peru; and 1,000 from Pakistan.

- - - - -

Exports of cotton linters from the United States during August 1954 totalled 17,000 bales (480 pounds net) compared with 4,000 bales in August 1953. The exports in August 1954 show the United Kingdom receiving 8,000 bales; Germany, Japan, and Canada 2,000 each; India and Belgium 1,000 each; and France 300.

- - - - -

Imports of cotton linters into the United States in August 1954 amounted to 10,000 bales (480 pounds net) compared with 43,000 bales in August 1953. The principal source in August 1954 was Guatemala with 8,000 bales..

FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U. S. needing the information it contains.

Foreign Crops and Markets is distributed only upon a request basis. Should you find you have no need for this publication, please tear off the addressograph imprint with your name and address, pencil "drop" upon it, and send it to the Foreign Agricultural Service, Room 5922, U. S. Department of Agriculture, Washington 25, D. C.

WORLD FLAXSEED PRODUCTION EXPECTED TO SHOW SUBSTANTIAL INCREASE

World flaxseed production in 1954 is forecast at 132 million bushels on the basis of preliminary data available to the Foreign Agricultural Service. This volume of seed would surpass the 1953 estimated outturn, now revised to 121 million bushels, by 9 percent and would be the largest crop since 1950. However, it would still be less than the prewar average of 133.5 million bushels.

The anticipated expansion from 1953 is accounted for principally by the expectation of a significant increase in Argentina and larger harvests in the United States and Canada. India's production is down slightly.

Production in North America may increase by roughly 10 percent. Canada's crop, currently forecast at 12,189,000 bushels, is about 23 percent higher than last year's and nearly 32 percent greater than the 10-year (1944-1953) average outturn of 9.3 million bushels. The anticipated larger crop is attributed almost entirely to increased planted acreage, as expected average yields in most provinces are not greatly different from those of 1953. As of October 1 the official estimate of the United States harvest was 39,989,000 bushels, 9 percent above last year and 7 percent above the 10-year average (1943-1952). Although the acreage harvested is the second largest on record, the yield per acre is below last year and below average. Extremely high temperatures in late July and continued hot, dry weather in early August were largely responsible for the lower yields. Moreover, wet weather and late September frosts damaged the crop in North Dakota and Montana. Mexico's crop appears to be down about one-fifth.

Flaxseed production in Europe in 1954 is expected to decline from last year by possibly 7 percent, with the greatest loss indicated for the Eastern area. In Western Europe, the sharp drop expected in Sweden, the United Kingdom and, to a lesser extent, the Netherlands considerably outweighs the increase foreseen in Belgium and possibly France. It appears that output in the Soviet Union continues to be below the prewar level.

A slight decline in flaxseed production is likely in Asia as output in India, officially estimated at 14.2 million bushels, is one percent below the 1953 crop. The smaller Indian harvest is attributed mostly to the acreage decrease and adverse weather in three of the major producing states. Pakistan's crop is officially placed at the same level as each of the 2 previous years. Production in Turkey and Japan has not been reported as yet.

Forecasts at this time of flaxseed production in Southern Hemisphere countries are largely speculative as the crop will not be harvested until the end of the year. Production in the Argentine is expected to increase substantially. The condition of the crop in late September reportedly was considerably better than last year at the same time and continued favorable conditions might result in a crop of around 20 million bushels as against 13,684,000 bushels in 1953.

In Uruguay, indications are that plantings will exceed those of 1953 by approximately 10 percent. The increase is attributed in part to the smaller area sown to wheat and higher flaxseed prices. With this acreage expansion, production could be around 3 million bushels. (Although the official estimate of 1953 flaxseed production remains at 2,795,000 bushels, trade sources are of the opinion that output may have been closer to 3.5 million.) Thus, should these possible increases materialize in Argentina and Uruguay, total output in South America would be nearly 40 percent greater than in 1953.

Production in Africa is expected to decline around 6 percent. The tentative forecast of output in French Morocco alone, the major producing country, reflects a 10 percent drop from 1953.

Flaxseed output in Oceania may possibly double last year's. In Australia, demand for seed for the 1954 crop has been heavier than last season when acreage declined sharply. Provided there is adequate rainfall, a substantial recovery in plantings can be expected. And in New Zealand acreage may be twice the area of 1953.

* * * * *

Exportable stocks of flaxseed and linseed oil in the major surplus producing countries--the United States and Argentina--have been drastically reduced from a year ago. This has resulted from large sales for export by the U. S. Commodity Credit Corporation (CCC) and the Argentine Trade Promotion Institute (IAPI).

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of U. S. Agricultural Attaches and other representatives abroad.

GREECE FACILITATES TOBACCO EXPORTS WITH MORE TRADE AGREEMENTS

On September 1, 1954 Greece and Egypt extended their trade and payments agreement to run until August 31, 1955. This agreement encourages the flow of Greek and Egyptian trade. During the 12 months ended May 31, 1954 Greece shipped U. S. \$1,568,000 worth of tobacco and cigarettes to Egypt.

The Greek trade and payments agreement with France was renegotiated in July of this year to run until June 30, 1955. Under this agreement Greece is allowed to export 9.1 million pounds of tobacco and U. S. \$45,000 worth of cigarettes to France and French possessions.

TOBACCO SALES ON SALISBURY, SOUTHERN RHODESIA MARKETS GREATER THAN EXPECTED

Sales of tobacco on Salisbury, Southern Rhodesian markets in the period April 13 through September 9 amounted to 106.7 million pounds. Total sales this year have been estimated at about 5 million pounds greater than estimated earlier. The sales of Southern Rhodesia flue-cured this year are now estimated at 117 million pounds as compared to 112.5 forecast earlier.

Sales by area of destination during the April 13 - September 9, 1954 period are reported by the Southern Rhodesian Tobacco Board as follows:

<u>Country of Destination</u>	<u>Million Pounds</u>	<u>Percent of Total</u>
United Kingdom	63.3	59.32
Australia	9.3	8.71
Other Foreign Markets	29.0	27.23
Local Markets	5.1	4.74
Total	106.7	100.00

DOMINICAN REPUBLIC: TOBACCO EXPORTS FIRST HALF OF 1954

During the first 6 months of 1954 the Dominican Republic exported 4.4 million pounds of unmanufactured tobacco. This was a drop from the 4.7 million pounds shipped in the same period of 1953. However, the smaller amount of tobacco exported during the first half of 1954 sold for \$900,000 compared to the \$700,000 received for unmanufactured tobacco shipped during January - June 1953.

U.S.S.R. BECOMES THIRD LARGEST IMPORTER OF MEAT

An important development in world meat trade in 1954 has been the sharp increase in shipments of frozen carcasses to the U.S.S.R. from the free world. Russian imports of meat from non-Communist during 1953 apparently totaled less than 20 million pounds but purchases and contracts let thus far in 1954 total over 240 million pounds. Delivery on the contracts will place the U.S.S.R. as the third largest importer of meat in the world, only exceeded by the United Kingdom and the United States. Because of the large Russian population the imports, though greatly larger than in previous years, will not add substantially to average consumer supplies. Consumption per person in the U.S.S.R. is small although it has a sizable total meat production.

Imports of meat by other Iron Curtain countries in 1954 have been stepped up materially from the low levels of 1953.

The increased imports stem from a desire on the part of the Soviet Government to raise general living standards in the face of the increasing population and the inability to increase meat-animal output and maintain per capita meat supplies.

The Soviet Union has now become the second largest buyer of Danish beef. It is expected that 20 percent of Denmark's total cattle and meat exports this year will go to the USSR. Denmark did not export beef to this source in 1953. Beef exports to the U.S.S.R. so far this year have amounted to at least 47 million pounds. Denmark is interested in increasing its trade with the Soviet Union and expects to enter into new agreements to further increase exports.

Russian purchases of beef and other meat in Uruguay have assumed large proportions. Purchases this year include 66 million pounds of beef and 11 million pounds of mutton. Purchases at this level are equivalent to three-quarters of the total Uruguayan exports of meat in 1953.

France has contracted to deliver 33 million pounds of frozen beef to the U.S.S.R. this year. A very large quantity of mutton carcasses has been contracted for in Argentina. Smaller amounts of frozen mutton have been acquired in Australia and New Zealand. The Union of South Africa has shipped about 14,000 beef carcasses. Several hundred tons of beef have been delivered from Kenya. Fifteen thousand beef cattle have been purchased in Ireland for slaughter in the Netherlands and the beef then exported to the Soviet Union. Canada plans to export 8 million pounds of canned pork.

It is reported that Czechoslovakia this year has purchased 3.4 million pounds of frozen beef in France, 1.3 million from Uruguay, 6.8 million from Denmark. Additional shipments of frozen beef have been received from Mexico amounting to around 2.2 million pounds. Czechoslovakia has placed so many orders for beef and cattle in Denmark that it has already filled its quota of 1 million crowns as stipulated in a trade agreement between the two countries which runs until June 1955. In recent months purchases of beef and cattle for immediate delivery have been made outside the agreement in sterling. The trade agreement also provides for delivery of Danish pork but only a few orders have been placed against this quota.

Exports of meat from non-Communist countries
to the U.S.S.R., 1953 and 1954

<u>Source</u>	<u>1953</u> <u>1,000 Pounds</u>
Argentina.....	2,750 mutton 6,600 pork
Uruguay.....	6,600 mutton
Australia.....	3,300 mutton
Total above.....	<u>19,250</u>

	<u>1954</u> <u>1,000 Pounds</u>
Argentina.....	48,500 mutton (amount not known) pork (amount not known) canned beef
Uruguay.....	66,000 beef 11,000 mutton
Australia.....	3,300 mutton
France.....	33,000 beef
New Zealand.....	12,600 mutton
Denmark.....	47,000 beef
South Africa.....	5,400 beef
Kenya.....	(several million lbs.) beef
Canada.....	8,000 canned pork
Ireland (slaughtered in the Netherlands)	6,000 beef
Total, more than.....	241,000

WORLD HOG SLAUGHTER TO INCREASE IN 1955

Moderate increases in pork production are in prospect for 1955 in North America, Europe, South America, Australia and New Zealand, according to the regular annual analysis of hog production and slaughter prospects recently completed by the Foreign Agricultural Service.

The increased pork output is expected to result in generally lower prices in many of the important producing countries. Pork supplies in the United Kingdom, the world's largest importer, will be very large due to a record home production and large imports under its bacon contracts with principal supplying countries. The European surplus producers and Australia and New Zealand will offer increased competition against the larger United States output for sales to deficit countries in the Caribbean area and other United States export markets. Larger pork supplies from Western Europe will be available for importation by the United States, and even with lower prices in the United States, the European countries will continue to look to the United States as one of the better markets for their surplus production.

Hog slaughter in North America next year is expected to be considerably above the 1946-50 average and 6 to 8 percent above the recent low reached in 1954, but will be well below other recent years. Slaughter in Western Europe, South America, Australia and New Zealand probably will reach the highest levels since World War II. Slaughter in Western Europe likely will be 3 to 5 percent above 1954 and more than double the 1946-50 average. The number killed in the principal producing countries of South America during 1955 may be 7 to 9 percent greater than a year earlier. Slaughter in Australia and New Zealand will probably total 4 to 6 percent greater than in 1954, with increases expected in both countries.

HOGS: Number slaughtered (commercial or inspected) in specified countries, calendar year, average 1946-50, annual 1952-1955

Continent and Country	Average		1952		1953		Preliminary: Indicated		Percent	
	Thousands	1946-50	Thousands	Thousands	Thousands	Thousands	1954	1955	1954 of 1953	1955 of 1954
NORTH AMERICA										
Canada 1/.....	4,341	.....	6,234	.....	4,611	.....	3,950	4,850	86	123
Mexico 2/.....	1,976	.....	1,850	.....	2,000	.....	2,300	-	115	-
United States - Inspected.....	50,224	.....	62,451	.....	53,813	.....	53,800	58,000	100	108
- Total 3/.....	75,049	.....	86,712	.....	74,783	.....	74,000	79,000	99	107
Cuba 4/.....	332	.....	248	.....	-	.....	-	-	-	-
EUROPE										
Austria 5/.....	1,011	.....	2,054	.....	2,209	.....	2,350	2,550	106	109
Belgium 5/.....	1,173	.....	2,190	.....	2,198	.....	2,150	2,200	98	102
Denmark 4/.....	2,599	.....	4,868	.....	6,244	.....	6,900	6,800	111	99
Finland 1/.....	223	.....	-	.....	-	.....	-	-	-	-
France 1/.....	3,980	.....	5,867	.....	6,748	.....	6,500	6,500	96	100
Germany, Western 1/.....	4,037	.....	9,357	.....	10,080	.....	9,100	9,600	90	105
Ireland 4/.....	531	.....	703	.....	1,046	.....	1,250	1,300	120	104
Italy 8/.....	1,832	.....	2,238	.....	2,236	.....	2,400	2,300	107	96
Netherlands 5/.....	1,367	.....	2,500	.....	2,600	.....	2,800	3,200	108	114
Norway 1/.....	170	.....	404	.....	445	.....	-	-	-	-
Portugal 1/.....	318	.....	433	.....	453	.....	-	-	-	-
Spain 2/.....	100	.....	252	.....	2910/ 326	.....	-	-	-	-
Sweden 2/.....	1,707	.....	2,163	.....	2,403	.....	2,595	2,800	108	108
Switzerland 2/.....	702	.....	1,029	.....	1,123	.....	-	-	-	-
United Kingdom 4/ 11/.....	1,707	.....	5,673	.....	6,651	.....	8,200	8,700	123	106
ASIA										
Japan 4/.....	435	.....	1,526	.....	1,943	.....	-	-	-	-
Philippines 2/.....	958	.....	1,400	.....	1,500	.....	-	-	-	-
SOUTH AMERICA										
Argentina 1/.....	1,409	.....	965	.....	1,209	.....	850	1,200	70	141
Brazil 4/.....	5,250	.....	6,140	.....	6,207	.....	6,200	6,500	100	105
Colombia 4/.....	669	.....	-	.....	699	.....	-	-	-	-
Uruguay 4/.....	140	.....	105	.....	122	.....	149	-	122	-
AFRICA										
Union of South Africa 4/.....	644	.....	728	.....	629	.....	600	580	95	97
OCEANIA										
Australia 4/.....	1,584	.....	1,466	.....	1,484	.....	1,650	1,750	111	106
New Zealand 4/.....	636	.....	683	.....	654	.....	751	760	115	101

1/ Inspected slaughter. 2/ Total slaughter. 3/ Including farm. 4/ Commercial slaughter. 5/ Total official slaughter. 6/ Average for 4 years only. 7/ Average for 2 years only. 8/ Slaughter in towns of more than 5,000 persons. 9/ Slaughtering in cities with more than 20,000 persons; includes peninsular Spain, Balearic Islands and the Canary Islands. 10/ First 10 months latest data available. 11/ Great Britain only.

Larger slaughter next year is a direct result of the generally high prices of pork and lard in late 1953 and during 1954 and plentiful feed supplies in important producing countries. Feedgrain production was 2 percent greater this year in the United States than a year ago and larger supplies will be available for feeding next year from the large accumulated stocks. Feedgrain production in Europe this year is considerably smaller than during 1953 but much rain-damaged wheat and rye which normally would be used for food will be available for livestock feeding.

The level of hog production in future years will depend largely upon the course of hog prices and the amount of feedgrain produced. Further substantial increases in production in Western Europe from year to year do not seem probable in view of the current high levels of production and the limited potentials for increased feed production. But hog production in the United States could reach substantially higher levels with average feedgrain harvests and strong demand for pork and lard.

Total hog slaughter in the United States in 1954 probably will total around 74 million head, slightly smaller than a year earlier and the smallest since 1948. A substantial increase for 1955 is indicated. The 1954 spring pig crop was 13 percent greater than a year earlier, and showed the first increase in production since 1951. The 1954 fall pig crop was indicated to be about 10 percent greater than a year earlier on the basis of farmers intentions for fall breeding and later reports indicate that the crop may be even larger. The ratio of hog prices to feed prices now is slightly above average.

Hog production in Canada has showed trends similar to the United States. Slaughter in 1954 will be the smallest in several years. However, production increased sharply in 1954 and slaughter in 1955 will be considerably greater. The 1954 spring pig crop was estimated to be 16 percent greater than that of 1953 and an even larger percentage increase is indicated for the fall crop. The total pig crop in Canada during 1954 probably will be the largest since 1944. Hog slaughter in Mexico is at a relatively high level.

Increased hog slaughter and pork production is expected in several Western European countries in 1955. Fairly large increases are expected in Austria, Western Germany, the Netherlands, Sweden and the United Kingdom. Smaller increases are in prospect for Belgium. Not much change is likely in France and Denmark but slaughter in Italy is forecast to be smaller than in 1954.

Increased hog numbers in Argentina and Brazil will be reflected in increased slaughter during 1955. Higher prices and larger feedgrain output are encouraging larger production.

Larger pork output in the Southern Dominions will increase the competition for the United Kingdom market in the face of larger production in Western Europe. Breeding intention reports indicate a 25 percent increase above a year earlier in farrowings in Australia for the 1954 spring crop and this increase will show up in slaughter in the second half of 1955. Slaughter during early 1954 has already increased and the gain probably will be maintained throughout the year as the 1953 spring crop was 8 percent greater than a year earlier. The number of hogs on farms in New Zealand January 31 was 3 percent greater than a year earlier. Another increase is in prospect during 1954.

Hog production in the Union of South Africa continues to decline. Slaughter in 1954 was the lowest in several years and a further decrease is expected for 1955. Other crops and livestock continue to be more profitable than hog production in view of the difficulty and high cost of producing feedgrains.

Hog production and slaughter in Japan and the Philippines have shown a very large increase since the end of World War II. Practically all of the pork produced in these countries is consumed locally.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crops and Livestock Statistics. It is based in part upon reports of U. S. foreign agricultural officers.

DISCLOSE DETAILS OF U. K.-DENMARK BUTTER AGREEMENT

Details surrounding the agreement announced in last week's Foreign Crops and Markets on the Danish-United Kingdom butter price agreement of 41.52 cents per pound have just been made known.

At the September 30, 1954 meeting between the butter delegations trying to work out the agreement details, the Danes were presented with two alternative British offers: (1) the reduction in price; (2) discontinuance of the long-term bulk dairy agreement.

The Danes accepted the price reduction for 3 reasons. In the first place, it was known that if the long-term agreement were discontinued Danish butter would again be subject to a British import tariff of about 1.9 cents a pound, a duty which is not imposed on New Zealand butter, the principal supplier of the British market outside of the bulk contract agreements. It was felt the price differential imposed by the duty would undermine Denmark's competitive position.

Secondly, the British Ministry of Food is believed to hold up to 100 million pounds of Danish butter which would, in the event of a discontinuance of the agreement, have a depreciatory effect on the price of Danish butter.

Finally, the Danes agreed to the price reduction in lieu of discontinuance because the outlook for exports to secondary markets is not promising.

HIGH BEEF PRICES LIMIT CONSUMPTION IN VENEZUELA

The wide spread between prices of beef at retail and prices received by producers for live cattle has been protested by the Venezuelan Association of Cattle Producers. High prices for beef are reducing consumption and are limiting the market for cattle. At this time of year pastures are good and there is a tendency to hold cattle on the range. However, with the onset of dry weather in early 1955 it is expected that prices of beef will decline seasonally.

It is reported that the current prices received by cattle growers for slaughter stock are equivalent to around 26 cents per pound dressed basis, while the price obtained by slaughters in Caracas is equivalent to 35 cents. The average price paid by retailers is about 40 cents a pound and the average retail price is about 55 cents.

The basic cause for the wide spread between prices received by producers and at retail is one of marketing and transportation. Transportation is being improved with the construction of modern highways but it will take much more development before city consumers can be adequately served from surplus producing rural areas. Much of the beef consumed in the city of Caracas is flown in by air. More efficiency could be achieved in the distribution of meat by the introduction of modern packing plants and the better use of slaughter by-products, which are not now being effectively utilized.

Apparently cattle numbers are increasing in Venezuela and are adequate to fill practically the total beef requirements of the country. Venezuela imported a sizable amount of canned beef from the United States during the first 7 months of 1954 but less than a year earlier. Normally Venezuela is a fairly large importer of pork products, which supplement the small local pork production and the local beef supply. Imports of pork products from the United States during the first 7 months of 1954 were considerably below a year earlier, largely due to inspection requirements imposed by Venezuela ostensibly to protect the small domestic hog industry from the introduction of diseases. During the last 10 years Venezuela has had a most attractive trade balance. Exports have been considerably in excess of imports and the gold dollar reserves are satisfactory.

GERMAN GOVERNMENT AUTHORIZES DOLLAR AREA PURCHASES OF FRUIT, PULSES AND ASPARAGUS

On October 14 the Western German Government released \$2,275,000 of export certificate dollars for purchases by switch transactions of fruits and nuts, \$900,000 for dried peas and beans, and \$90,000 for canned asparagus.

The \$2,275,000 is to be used for the following: \$700,000 of canned pineapple, \$900,000 of fresh and canned citrus, and \$675,000 of dried fruit and nuts.

EGYPT ANNOUNCES FURTHER INCREASE IN COTTON ACREAGE FOR 1955

A recently announced decision by the Council of Ministers in Egypt will increase cotton acreage in 1955 by 10 percent over acreage allowed by Law 203 for 1952, and will result in cotton cultivation of 40 percent of cultivated land in both Lower and Upper Egypt, according to A. Abdul Gawad, American Embassy, Cairo. An earlier announcement had permitted cotton cultivation for 1954 to reach 33-1/3 percent of cultivated land in Lower Egypt and 40 percent in Upper Egypt.

The Government's decision to increase cotton acreage for Karnak in Lower Egypt, and Ashmouni in Upper Egypt was preceded by publication of a decrease in the Government purchasing price for wheat during the 1954-55 crop year. The 1954-55 cotton acreage is officially estimated at 1,639,000 acres and it is expected to reach 1,800,000 to 2,000,000 in 1955-56. Cotton area in 1953-54 totaled 1,375,000 acres.

The first official estimate placed the 1954-55 cotton crop in Egypt at 1,503,000 bales (500 pounds gross), but private estimates average about 1,600,000 bales. The latter figure is about 10 percent above 1953-54 production of 1,461,000 bales. Some modification of earlier estimates resulted from an August heat wave, late insect damage, and diversion of irrigation water to the rice crop.

Egypt's cotton exports in the year ended July 31, 1954, amounted to 1,485,000 bales, a decrease of 14 percent from exports of 1,727,000 bales in 1952-53. The 3 major export markets for Egyptian cotton in 1953-54 were India, France, and the United Kingdom. Exports to the United Kingdom increased sharply in 1953-54 over the previous year, in contrast to decreases in those to most of the other European countries. Shipments to the United States dropped about 18 percent from the previous year. Exports to the U.S.S.R. dropped from 104,000 bales in 1952-53 to none in 1953-54. 1/

Egypt's cotton stocks on August 1, 1954, were estimated at 495,000 bales, about 40 percent below stocks of 845,000 bales held a year earlier. Favorable prices as well as increased demand for the extra-long staples were contributing factors in the stock reduction. About 50 percent of stocks held on August 31, 1954, were Karnak, 22 percent Ashmouni, and 20 percent Giza 30.

A steady upward trend has been noted in cotton prices since September 1, 1954, the first effective date for the Egyptian Cotton Commission's official selling prices for the new season. Spot quotations in Alexandria on October 14, 1954, for various grades of Ashmouni and Karnak were as follows:

(Continued on Page 464)

1/ See table on page 465.

FIRST FORECAST INDICATES SMALLER WORLD CORN CROP

World corn production in 1954-55 is estimated to be smaller than the crops of the past 2 seasons, on the basis of preliminary information available to the Foreign Agricultural Service. The current estimate of 5.5 billion bushels is about 4 percent below the near-record 1953-54 harvest, but is 16 percent above the prewar (1935-39) average.

The comparatively low level of the current estimate is due to substantial reductions in the corn harvests of North America and Europe. This first forecast of the world total for corn includes allowances for harvests in Southern Hemisphere countries, where planting is still under way. Present forecasts for such areas, as always this early in the season, are tentative allowances only and subject to considerable change when actual harvest results are known.

Production in North America is estimated at 3,172 million bushels, 211 million bushels less than in 1953 and 311 million bushels below the large 1953 harvest. The current crop is still, however, about 30 percent above the prewar average despite a substantial reduction in acreage. The bulk of the reduction from the 1953 total is in the United States, with Mexico, the other important producer of the area, reporting a bumper out-turn. Corn production for all purposes in the United States is given at 2,950 million bushels, in the October estimate. This is 93 percent of the estimated continental total and 54 percent of the estimated world total this year. Corn acreage in the United States this season was virtually unchanged from the 1953 acreage, which was 13 percent below the 1935-39 acreage. Yields were 36.8 bushels per acre, compared with 39.6 in 1953.

The current estimate for the United States is 227 million bushels less than production for all purposes in 1953 and is also below the recent average. It is 655 million bushels less than the record production of 3,605 million bushels for this country in 1948. Of the total production for all purposes, 2,630 million bushels are expected to be harvested as grain, compared with 2,870 million last year and the 10-year average of 2,768 million bushels. Unfavorable growing conditions throughout the south have resulted in more than the usual diversion of corn acreage to forage and silage.

Production in Mexico is estimated at about 142 million bushels, one of the largest harvests of record. A crop of that size is 12 percent larger than the 1953 harvest and is more than double the prewar average. Both acreage and yields are well above the prewar level. Corn production in Canada is estimated at 19.8 million bushels, 5 percent below the 1953 harvest. A substantial increase in acreage is offset by sharply reduced yields.

Production in Europe tentatively is forecast at 605 million bushels, compared with 650 million a year ago, and the 1935-39 average of 695 million bushels. Reductions from the 1953 level were general, but the bulk of the reduction occurred in Italy and Yugoslavia. These are among the most important producers of the area. Somewhat smaller yields than in 1953 are reported for most countries, which offset some increase in planted acreage.

AFRICA														
Belgian Congo.....	5/	179	670	-	-	19.6	17.9	-	-	-	-	-	3,500	12,000
Kenya g/.....		103	136	145	160	30.3	24.9	27.6	28.1	-	-	-	3,121	4,000
Egypt.....		1,599	1,699	1,770	2,090	39.7	33.4	33.5	34.9	-	-	-	63,508	56,696
French Morocco.....		1,112	1,260	1,165	1,254	7.6	8.0	9.8	9.3	-	-	-	8,505	10,074
French West Africa.....	5/	-	-	1,516	-	2.4	11.6	8.7	-	-	-	-	21,473	11,700
Madagascar.....		260	214	-	-	15.3	-	-	-	-	-	-	2,472	-
Angola.....		1,435	-	-	-	9.0	-	-	-	-	-	-	12,859	12,900
Southern Rhodesia g/.....		268	293	390	-	22.1	18.1	23.1	-	-	-	-	5,923	9,000
Union of South Africa.....		6,989	7,106	8,020	8,760	11.5	12.2	15.5	16.1	-	-	-	80,132	86,699
Estimated total g/.....		18,200	19,260	21,280	22,410	-	-	-	-	-	-	-	255,000	265,000
SOUTH AMERICA														
Argentina.....		10,775	5,363	5,820	6,200	28.0	28.9	24.0	30.5	-	-	-	301,986	155,012
Brazil.....		10,025	10,866	12,020	12,510	21.5	20.7	19.3	19.2	-	-	-	215,153	224,400
Chile.....		110	115	126	133	22.7	22.5	28.3	25.2	-	-	-	2,496	2,589
Colombia.....	5/	1,360	1,654	1,730	1,730	15.1	15.4	17.5	17.5	-	-	-	19,511	25,429
Uruguay.....		425	395	744	726	12.2	10.1	11.0	12.8	-	-	-	5,188	3,997
Estimated total g/.....		24,930	20,840	22,830	23,680	-	-	-	-	-	-	-	575,000	450,000
OCEANIA														
Australia.....		314	222	174	156	22.4	26.6	28.7	26.5	-	-	-	7,030	5,899
New Zealand.....		7	7	6	6	45.4	55.6	58.3	58.3	-	-	-	318	389
Estimated total g/.....		325	235	185	165	-	-	-	-	-	-	-	7,430	6,370
Estimated world total g/.....		221,060	213,720	217,560	218,960	221,240	-	-	-	-	-	-	4,760,000	5,275,000

1/ Years shown refer to years of harvest in the Northern Hemisphere. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere which follow; thus the crop harvested in the Northern Hemisphere in 1954 is combined with preliminary forecasts for the Southern Hemisphere harvest which will begin early in 1955. 2/ Figures refer to harvested area as far as possible. 3/ Yield per acre calculated from acreage and production data shown, except for incomplete periods. 4/ Preliminary estimates for Northern Hemisphere countries; for the Southern Hemisphere, preliminary forecasts. 5/ Average of less than 5 years. 6/ Estimated totals, which in the case of production are rounded to millions, include allowances for any missing data for countries shown and for other producing countries not shown. 7/ Figures for the period shown are not strictly comparable since figures for 1952-54 include estimates for non-reporting areas, which were not included with earlier figures shown, though allowances were included in estimated total for Asia. 8/ Production on European holdings only. Allowances for native cultivation, not shown, are included in estimated total for Africa.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, results of office research, or other information. Prewar estimates for countries having changed boundaries have been adjusted to conform to present boundaries.

The relatively small corn acreage in the Soviet Union was increased by about 2 million acres this season as a result of the Government campaign to increase the forage supply. Drought conditions were relieved by late rains in some corn-growing areas, and yields appear to be about the same as in 1953.

On the basis of incomplete reports, Asia appears to have about the same corn productions as in 1953, when that crop was well above average. The current harvest is estimated at 720 million bushels. Somewhat expanded corn acreage accounts for the increase over the prewar period.

Corn production in Africa tentatively is estimated at 330 million bushels. That is less than the large 1953 crop, but sharply above the prewar average of 255 million. Acreage shows a 20 percent increase during that period and yields also appear slightly higher. Present forecasts must be considered as only very preliminary indications, however, since the largest producer of the area, the Union of South Africa, is just planting corn for the harvest beginning next April in that Southern Hemisphere country. That is the harvest that combines with corn harvested in Northern Hemisphere countries in the fall of 1954, in estimating world totals.

The corn harvest in South America takes place generally at the same time as in the Union of South Africa and the same reservations apply to early-season forecasts included in world totals. Indications point to a moderate increase in both acreage and production.

Corn is of minor importance in Oceania. In Australia, the principal grower of the area, acreage has declined sharply until in 1953 it was less than half the prewar average. Corn is grown in significant quantities only in New South Wales, Queensland, and Victoria. Increased use of hybrid seed is reported and the quality of that seed planted in New South Wales this year will be fully safeguarded under the Australian Department of Agriculture's new Certified Seed Scheme. This brings conditions in New South Wales in line with those of Queensland, where a hybrid corn seed scheme is in operation.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of Agricultural Attaches and other U. S. representatives abroad.

- - - - -

C O R R E C T I O N--In World Barley and Oats production summary published in Foreign Crops and Markets of October 11, 1954, oats production in Algeria in 1953 in table on Page 415 should have been "8 million bushels" (not 3 million).

CUBAN LARD IMPORTS DROP IN THIRD QUARTER

Imports of lard and rendered pork fat into Cuba during the third quarter of 1954 totaled 31,166,000 pounds, reports C. E. Davis, Economic Attache, American Embassy, Havana. While this quantity represents a decrease of 17 percent from the corresponding quarter in 1953, January-September 1954 imports of 102,642,000 pounds were only slightly below the 103,711,000 pounds imported in the first 9 months of last year.

CUBA: Imports of lard and rendered pork fat, by quarters,
1951 to July - September 1954

(Million pounds)

Quarter	1951	1952	1953	1954
January-March.....	49.8	59.5	38.5	39.1
April-June.....	25.5	36.1	27.8	32.4
July-September.....	31.6	35.6	37.4	31.2
October-December.....	39.1	44.1	31.5	-
Total.....	146.0	175.3	135.2	-

Source: American Embassy, Havana.

The unusually low imports of United States lard in the past quarter (July-September) probably can be attributed, in part, to an even less plentiful supply than usual of consumer cash or credit during the so called "dead season" between sugar crops.

Wholesale prices per quintal of 101.4 pounds of imported lard for the 3-month period July-September 1954, as reported by the Foodstuffs Wholesalers Association of Havana, were: \$25.25 to \$26.75 in July; \$26.00 to \$28.00 in August; and \$24.00 to \$27.00 in September.

EGYPTIAN COTTON ACREAGE--(Continued from Page 459)

	Tallaries per kantar 1/	Equivalent U.S. cents per lb.	
		Spot quotation	Export and other taxes 2/
Ashmouni, FG.....	68.78	39.68	5.88
Ashmouni, Good.....	62.78	36.22	5.88
Ashmouni, FGF.....	58.78	33.91	5.88
Karnak, FG.....	84.39	48.69	8.77
Karnak, Good.....	75.39	43.49	8.77
Karnak, FGF.....	69.39	40.03	8.77

1/ Egyptian Cotton Commission's official selling prices. Import Entitlement Accounts permit Egyptian cotton exporters to offer cotton at prices in approved currencies below those quoted by the Cotton Commission.

2/ Not included in quotation.

It has not yet been decided whether to reopen the Alexandria Futures Market, but the Ministry is considering the question of issuing new regulations for it.

EGYPT: Exports of cotton by countries of destination;
averages 1935-39 and 1945-49; annual 1950-53
(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1					
	Averages		1950	1951	1952	1953
	1935-39	1945-49				
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Austria.....	1/ 23.7	2/ 2/	16.1	9.5	34.4	24.7
Belgium-Luxembourg.....	17.8	17.0	12.5	6.8	21.8	22.8
Czechoslovakia.....	49.9	52.5	57.6	36.6	58.6	52.8
France.....	238.7	161.9	100.0	112.6	291.2	210.3
Germany.....	147.2	2/	56.6	69.5	127.6	136.7
Hungary.....	18.3	2/	14.4	22.9	26.8	24.9
Italy.....	105.2	163.8	186.3	112.7	170.1	124.5
Netherlands.....	5.5	1/ 39.5	39.4	10.0	47.2	25.8
Poland.....	31.8	16.2	14.3	8.0	27.2	4.6
Rumania.....	3/ 47.7	2/	2.3	34.9	4.6	8.3
Spain.....	25.1	25.4	62.8	62.2	66.4	41.8
Sweden.....	12.8	17.0	11.5	2.0	17.7	7.9
Switzerland.....	71.5	33.4	41.4	28.1	67.5	67.6
United Kingdom.....	592.3	367.5	382.6	68.3	77.7	206.7
Yugoslavia.....	2/	2/	39.8	2.0	17.6	15.0
China.....	24.2	2/	12.6	16.5	60.9	52.0
India.....	98.8	255.8	221.3	110.9	213.7	217.3
Japan.....	143.4	2/	65.9	40.3	84.6	88.4
United States.....	49.5	89.1	145.4	92.3	84.4	68.9
Soviet Union.....	2/	1/ 129.4	2/	38.5	104.2	0
Other countries.....	38.9	82.4	49.0	23.7	123.0	84.0
Total.....	1,742.3	1,450.9	1,531.8	908.3	1,727.2	1,485.0

1/ 3-year average. 2/ Included in "Other countries." 3/ 4-year average.

Source: Monthly Summary of the Foreign Trade of Egypt and official reports.

GOOD EUROPEAN MARKET FOR U.S. SEEDS

A small July 1 carry-over of old-crop grass and legume seeds in Europe together with short harvests have combined to create the best market for United States seeds since 1947.

Many export sales have been reported but quantitative details will not be available until export figures are released by the Bureau of the Census. According to reports from American Embassies in Europe, several unusual arrangements have been made by European countries to provide dollar credits for United States seeds.

The strong European demand plus small seed harvests in the United States have contributed to the rapid disposal of Commodity Credit Corporation-owned seeds. In the 3 months period (July 14 to October 15) 46.5 million pounds, or 43 percent of the stocks, were sold. A further liquidation is expected to take place as purchases by European and United States seedsmen are made in preparation for the spring planting season.

TRADE DEVELOPMENTS IN FOREIGN COUNTRIES

Mexico's Agricultural Trade: Imports into Mexico during August were heavy in corn, tallow, cottonseed oil, eggs, and barley, but no wheat was imported in that month and only small quantities of lard and powdered milk. Exports of new-crop cotton were extremely heavy and the end-of-season exports of coffee were relatively small pending the beginning of the new coffee harvesting season on October 1. The outlook is for sharply reduced imports of corn, beans and wheat, and materially increased exports of cotton, coffee, and cattle during 1954-55.

Guatemalan Tariff Rates on Luxury Items Reduced: In a move to reduce living costs for the Guatemalan people, the Government has lowered import tariffs on many so-called luxury items, including prepared foods, crude vegetable oils, tobacco products, and other articles. Reductions in duty range between 17 and 60 percent. The preamble to the implementing decree (No. 95, effective September 30) states in part that "it is the duty of the State to protect the country's industries, adopting measures aimed at bettering in an effective way the life of the inhabitants, really stimulating the development of the national economy; wherefore it is convenient that the Minister of Economy undertake a complete revision of the tariff schedule in force and propose pertinent revisions."

Colombia's Dollar Exchange Drops: Reduced registrations of coffee sales contracts during August and September combined with a high level of imports resulted in a considerable reduction in Colombia's dollar exchange reserves. The country's favorable balance of international payments amounted to \$68,328,000 on August 21, but dropped to \$19,133,000 on September 20, reflecting a loss of \$49,195,000 in a period of about one month. The drop in coffee exports may be explained by the fact that coffee supplies were low during August and September, and also by the comparatively low price of coffee in the world market which followed Brazilian economic measures in mid-August.

Cuban Finance Minister Dissatisfied with GATT: Recent statements in the Havana press by the Cuban Finance Minister have expressed dissatisfaction with the effects to date on Cuba of the General Agreement on Tariffs and Trade, and have indicated that Cuba and other underdeveloped countries may withdraw from the GATT unless necessary revisions are made.

An Interdepartmental Committee has been set up in Cuba to study possible changes in GATT with respect to the following topics: Most-favored-nation treatment, equal treatment with respect to internal taxation, evaluations in customs, subsidies, quantitative restrictions with respect to agricultural products or relating to monetary difficulties, economic development, and stability of customs concessions.

Brazil's Exchange Budget: The foreign exchange budget for the second half of 1954 has been made public by the Brazilian Superintendency of Money and Credit (SUMOC), abandoning the previous procedure under which these figures were reserved only for official use. Convertible currency receipts are forecast at \$460 million (U.S. currency). Budgeted expenditures include \$120 million for auction exchange, \$143 million for petroleum, \$97 million for government entities and newsprint, \$62 million for financial services, and \$38 million for amortization of debt abroad. Receipts of nonconvertible currencies are calculated at the equivalent of (U.S.) \$583 million. Funds available for agricultural and industrial purchases from the United States and other dollar areas, therefore (unless purchase made by the Brazilian Government), total \$120 million for the 6-month period.

Market in Venezuela for American Foodstuff: In comparison with the year 1953 the United States share of Venezuela's food market during the first 6 months of 1954 declined in wheat flour, preserved milk, potatoes, unspecified foods, fresh fruit, oats, eggs, fruit juices, cheese and preserved fruit. The United States share increased in malted barley, preserved foods, pulses, lard and dried fruits. In dietary foods there was no change.

Percentage of principal food imports from the United States in 1953
and first 6 months of 1954

	<u>1953</u>	<u>Jan.-June 1954</u>
Wheat flour	53	40
Preserved milk	68	59
Potatoes	46	21
Unspecified foods	56	48
Malted barley	60	75.5
Fresh fruit	89	87
Oats	45	39
Eggs	82	44
Preserved foods	72	94
Pulses	80	87
Rice	85	100
Dietary foods	93	93
Fruit juices	99	98
Cheese	11	10
Preserved fruit	94	93
Dried fruit	91	95
Cigarettes	98	97
Lard	97	100
Leaf tobacco	57	50.5

A diminishing market for United States rice, baby chicks, powdered milk, eggs, sugar, fruit juices and possibly potatoes may be expected due to increased production in Venezuela. The market for other United States food products should expand with increased population and continued prosperity.

Greek Government Takes Steps to Expedite Exports and to Support Prices of Rice and Cotton: Greece, which in the last few years has become a net exporter of rice and cotton, recently took steps to facilitate exports of these products, in view of the record crops expected this year. The export tax on rice of 5 drachmas (17 cents) per dollar was eliminated, and the export tax on cotton reduced from 4 to 2 drachmas (from 13 to 6.5 cents) per dollar. The export taxes on cotton waste and linters, and on cotton textiles and yarns were also eliminated. Rice exports were freed of restrictions and the cotton export quota set at 5,000 metric tons. The Greek Agricultural Bank was authorized to grant collateral loans on rice and cotton to help support the price.

BRITISH EMPIRE PRODUCERS SEEK GOVERNMENT AID

A number of organized agricultural groups in the British Commonwealth have recently sought subsidies or tariff protection from their Governments. In several instances the appropriate Governmental agencies have rejected the requests of producers while some cases are still pending.

The Canadian Government rejected the request of turkey growers for control of turkey imports from the United States, but the case of Canadian wool-growers seeking increased tariff protection is still pending. The Australian Government has rejected the request of the hog, poultry and dried fruit industries for subsidy. However, there is a price support guarantee in the dried fruit agreement recently concluded between the British Ministry of Food and the Australian producers.

Commonwealth fruit canners have petitioned the British Government to seek modification of GATT at the session to be held shortly in Geneva to give the United Kingdom authority to raise trade barriers against non-Empire producers.

The fruit canning industries of Australia, South Africa, Malaya, the British West Indies, Kenya and Swaziland, through the British Commonwealth Producers' Organization, has presented a memorandum to the Chancellor of the Exchequer, the Board of Trade and the Secretaries of State for Commonwealth Relations and for the Colonies proposing that (1) tariffs on imported foreign canned fruit be restored to the level of the Ottawa agreement, (2) a new duty of 15 per cent ad valorem imposed on foreign canned grapefruit, and (3) the forthcoming GATT discussions be utilized by the United Kingdom to restate its position firmly and to revise existing tariffs and preferences. Products from Empire sources would continue to enjoy entry free of duty.

The Ottawa rates as revised under GATT are as follows:

Canned FruitOttawaGATT

Apricots, Peaches, Pears	15 per cent	12 per cent
Pineapple	5/-per cwt.	5/-per cwt.
Fruit Salad	5/6 per cwt.	nil
Grapefruit	nil	nil

In its petition to the British Government, the Commonwealth canned fruit industry declared it to be their objective to satisfy the entire demand not only of the United Kingdom but of the entire Commonwealth for canned fruit and to develop an export trade to other markets. It urges also that shipments under U.S. Mutual Security Act provisions should not be repeated once the Ministry of Food has ceased to be the sole purchaser of imported canned fruit, which bulk purchases are soon to be terminated.

BRITISH CABINET CHANGE AFFECTS FOOD AND AGRICULTURE

The recent reorientation of the British Cabinet includes the appointment of The Rt. Hon. Derick Heathcoat-Amory, M. P., as Minister of Food, who will also continue in his present position as Minister of Agriculture and Fisheries. The appointment of Mr. Heathcoat-Amory to the two posts is interpreted by the London Times as a first step toward the amalgamation of the two departments, combining the responsibility for Britain's food supply.

Though the announcement from 10 Downing Street, has been interpreted as indicating that there may be an eventual amalgamation of the two Ministries to form a new department, it is expected that it will be some time before operations can be merged.

UNION OF SOUTH AFRICA ANNOUNCES RELAXATION OF IMPORT CONTROLS

The Minister of Economic Affairs in the Union of South Africa has made the first definite announcement regarding the nature of import controls in that country for 1955. No permit will be required for the importation of tea, coffee, raw cotton, raw wool, or for certain textile piece goods. The Minister said that liberal quotas for raw material will be announced soon. It will be the policy of the Government during 1955, as far as the requirements of "genuine" raw materials required for industrial processing.

PUBLICATIONS RELATING TO U. S. FOREIGN AGRICULTURAL TRADE

Issued recently and available free upon request
from the Foreign Agricultural Service, Washington
25, D. C.

Foreign Agricultural Situation--The Export Problem. (A 68-page, printed and liberally illustrated discussion of the drop in U. S. agricultural exports during the last two years and its significance to the American farmers).

1954 Foreign Almond Production Estimated Lowest Since 1951.
Foreign Agriculture Circular FN 11-54

1954 Brazil Nut Forecast Increased. Foreign Agriculture Circular
FN 12-54.

Miscellaneous Tobacco Developments (in world trade). Foreign
Agriculture Circular FT 38-54

Marketing Dairy Products by Western European Countries. Foreign
Agriculture Circular FD 11-54.

Brief Review of the Jute Situation in Pakistan, Including Recent
Schedule of Minimum Prices. Foreign Agriculture Circular FVF 20-54.

